

# Oceanview Life and Annuity Company Harbourview MYGA Series Product Training



Oceanview<sup>SM</sup>

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Product and feature availability may vary by state and broker/dealer.

# OCEANVIEW LIFE AND ANNUITY COMPANY

## Harbourview Series Multi-Year Guaranteed Annuity (MYGA)

A SINGLE PREMIUM DEFERRED FIXED ANNUITY CONTRACT

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Policy form  
ICC19 OLA SPDA-3, 5, 7, 10  
Rev. 12/19

# Agenda

Why use a MYGA?



Who's right for a MYGA?



Contract Features



# Why use a MYGA?



# Why use a MYGA?



As a retirement planning tool to provide:

- Principal Protection
- Guaranteed Interest Rates
- Tax Deferred Earnings
- Flexible Annuitization & Settlement Options
- Death Benefits For Beneficiaries

# Who's right for a MYGA?



# Who's right for a MYGA?



## Individuals/Couples:

- Whose risk tolerance is shifting towards risk avoidance
- Wants protection from market volatility
- Anticipates limited liquidity needs
- Seeking tax advantages
- Considering guaranteed retirement income options

# Who's right for a MYGA?



Consider these questions:

- What are your client's current financial circumstances?
- What are the primary financial objectives?
- What is your client's times horizon?
- Is your client replacing a life insurance or annuity product?
- Will the Oceanview Harbourview MYGA Series complement their goals?



# Contract Features



# Contract Features



## Multi- Year Guaranteed Annuity (MYGA)

- Interest Rate Guarantee Periods:  
3, 5, 7 & 10 Years
- Issue Ages:  
0 through age 89 (+364 days)
- Minimum Premium Amount:  
\$10,000

# Contract Features



## Contract types permitted

- Non-qualified funds
- Qualified Retirement Plans:
  - IRA
  - 401(a)
  - 403(b)
  - Certain deferred comp plans under section 457

# Contract Features



## Funding the Annuity

- Contract issue date will be the day the funds are received
- Single Premium only, no subsequent premiums will be accepted

# Contract Features



## Interest Crediting

- During accumulation phase – Interest is credited daily, at the effective annual rate.
- Interest rates quoted are effective annual interest rates.
- Because of compounding, any withdrawals will reduce the actual interest rate realized at the end of the Contract Year.

# Contract Features



## Partial Surrenders (Withdrawals)

- Free Withdrawals on or after first contract year up to or equal to a maximum of 10% of the contract value as of the prior anniversary (not cumulative)
- Minimum Withdrawal amount = \$250
- Additionally, Surrender charges can be avoided by:
  - Holding the contract until the end of the guarantee period
  - Not taking more than the free withdrawal amount during any given contract year
  - Annuitizing the contract through one of the standard annuity options offered on this product.

# Contract Features



## Withdrawals

- Withdrawals in excess of the Free Withdrawal during the surrender penalty period are assessed a surrender charge as stated in the annuity contract, and vary by the guaranteed interest rate period selected.
- RMDs on qualified plans are not subject to withdrawal charges and are considered part of the 10% partial withdrawal for that year.
- If an RMD is in excess of the 10% free withdrawal, it is not subject to an MVA.

# Contract Features



## Market Value Adjustment

### Surrenders subject to Market Value Adjustment (MVA):

- Formula =  $(\text{Amt withdrawn}) * (I - (J + .25\%)) * (N/12)$

I = guaranteed interest rate at issue

J = current guaranteed interest rate for new issues with same guaranteed period

N = Number of whole months remaining to end of surrender charge

\*Formula varies by state. See contract for details.

MVA Rider ICC19 OLA MVA



# Contract Features



## Market Value Adjustment

### MVA Example:

- Formula =  $(\$5000) * (3\% - (3.5\% + .25\%)) * (37/12)$

I = guaranteed interest rate at issue: **3%**

J = current guaranteed interest rate for new issues with same guaranteed period: **3.5%**

N = Number of whole months remaining to end of surrender charge: **37**

MVA = **-\$115.63**

# Contract Features



## Contract Surrender

- Clients may fully surrender the annuity at any time during the Accumulation Period
  - Surrender charges and MVA may apply
- Client may also request to surrender the annuity during the Renewal period, which is the 30-day period before the end of a Guarantee Period
  - Surrender charges and MVA *will not apply*

# Contract Features



Guaranteed Period	Surrender Charge Period*									
	1	2	3	4	5	6	7	8	9	10
3	9.00%	8.00%	7.00%							
5	9.00%	8.00%	7.00%	6.00%	5.00%					
7	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%			
10	9.00%	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	2.00%	1.00%

\* Withdrawals in excess of the Free 10%, may be subject to an MVA

# Contract Features



## Contract Maturity

**30 Days Prior to the end of the Contract's Interest Rate Guaranteed Period, the Agent and Policyholder will be alerted to the following options:**

- Surrender contract (not subject to surrender charges or MVA).
- If client does not make an election, the Contract renews for the same Guarantee Surrender Charge Period at the declared renewal rate (Guaranteed minimum interest rate is never less than 1.00%).
- Choose to renew Contract Guarantee Period of choice with the declared new money rate with a corresponding new Surrender Charge Period.

# Contract Features



## Contract Maturity

- Take a partial withdrawal (not subject to surrender charges or MVA), and apply the remaining value to another Guarantee Period.
  
- 1035 Exchange Full or Partial account value.
  
- Apply Contract to Settlement/Annuitization Options:
  - Life Only
  - 10 Year Period Certain
  - Joint and Last Survivor

# Contract Features



## Annuitization (Settlement) options

- Life Annuity – Lifetime payments guaranteed
- Life Annuity with 120 Monthly payments guaranteed
- Joint and Survivor Life Annuity – with 120 Monthly payments guaranteed
- Once Annuity payments have begun, no changes can be made.

# Contract Features



## Death Benefits

If owner's death occurs after annuity payment begins:

- Remaining payments, if any, will be made to beneficiary upon proper receipt of Proof of Death
  - See annuity contract for full details

# Contract Features



## Death Benefits

If owner's death occurs before annuity payment begins:

- Benefit available as a lump sum or under a settlement option chosen (see contract for details)
  - Must be paid out within five years of the date of owner's death
- Spousal beneficiary may continue the contract and become the Owner of the Contract



# Summary

## Why use a MYGA?

- Guaranteed principal with guaranteed returns



## Who's right for a MYGA?

- A risk averse investor seeking a guaranteed return and principal



## Contract Features

- Multi-Year guaranteed return and income options



# Main Idea

## For your Client:

Guaranteed principal, a competitive yield with the benefits of tax deferral.

## For You:

A new and innovative choice in the MYGA marketplace.



# Additional Information

The Harbourview MYGA is issued by Oceanview Life And Annuity Company 410 N. 44<sup>th</sup> Street, Suite 210 Phoenix, AZ 85008.

All annuity guarantees are backed by the financial strength and claims-paying ability of Oceanview Life And Annuity Company.

Annuity distributions are subject to ordinary income taxes, and if taken before age 59-1/2, may be an additional 10% federal penalty.

Product not available in all states.

For transfers and 1035 Exchanges, rate lock will be extended 60 days upon receipt of application. Issue age for all deferred annuities is the age of the last birthday of the Owner. If joint owners, age of oldest determines commission payout.

Purchasing an annuity within a retirement plan that provides tax deferral under sections of the Internal Revenue Code results in no additional tax benefit. An annuity should be used to fund a qualified plan based upon the annuity's features other than tax deferral. All annuity features, risks, limitations, and costs should be considered prior to purchasing an annuity within a tax-qualified retirement plan.

Not FDIC insured / May lose value / No bank guarantee.

These materials are for informational and educational purposes and are not designed, nor intended, to be applicable to any person's individual circumstances. It should not be considered as investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action.

Policy form and certain policy provisions may vary by state.



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*Policy form*  
*ICC19 OLA SPDA-3, 5, 7, 10, MVA ICC19 OLA MVA*

# Next Steps

All Producers: *I have completed this Oceanview Life and Annuity Company product Training.*

Producers in NAIC Model States – Adequate Knowledge Attestation:

Certain states have adopted the NAIC Annuity Suitability Model Regulation, which among other things prohibits an agent from selling an annuity contract unless the agent has “adequate knowledge” at the time of the sale to recommend the product. In the event that I have pending business with Oceanview Life at the time of this attestation and in the event that business was solicited in a state that has adopted the NAIC Suitability Model-based “adequate knowledge” standard, I confirm that after completing this training:

Agree

# Next Steps



1. Get Licensed/Appointed with Oceanview at [www.oceanviewlife.com](http://www.oceanviewlife.com)
2. Identify 10 Clients/Prospects with maturing CD's, cash on the side lines, year-end bonuses, 1035 exchanges that The **Harbourview Series Multi-Year Guaranteed Annuity (MYGA)** would be right for.



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Thank you!



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